

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554**

In the Matter of

Schools and Libraries Universal Service  
Support Mechanism

A National Broadband Plan for Our Future

CC Docket No. 02-6

GN Docket No. 09-51

**COMMENTS OF CHARTER COMMUNICATIONS INC.**

Charter Communications Inc. (“Charter”) hereby submits its comments in support of certain of the Commission’s proposals in the above-captioned proceeding to streamline application and procurement processes for the Schools and Libraries (“E-rate”) program, as well as many of its proposals to further expand the benefits of the E-rate program.<sup>1</sup> Charter agrees with the National Cable & Telecommunications Association (“NCTA”), however, that any expansion of the program should be done in a competitively neutral manner and in a manner that does not result funding facilities and services unnecessary to achieve the program’s educational goals.

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<sup>1</sup> *In re Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, and *A National Broadband Plan for Our Future*, GN Docket No. 09-51, Notice of Proposed Rulemaking, FCC 10-83 (May 20, 2010) (“NPRM”).

## **I. CHARTER SUPPORTS STREAMLINING E-RATE APPLICATION AND PROCUREMENT PROCESSES**

In its NPRM, the Commission makes multiple proposals to help streamline the E-rate application and procurement processes. Charter supports these measures, and in fact, would support further measures that would reduce administrative burdens on program participants, particularly those of the schools and libraries who often have limited administrative resources.

Charter supports the elimination of E-rate specific technology plans and procurement processes that overlap with state or local requirements.<sup>2</sup> Charter would be concerned, however, if USAC had the ability to retroactively contest an applicant's good faith interpretation that it was subject to state or local technology plan and procurement requirements. If an applicant makes good faith representations on its funding request with respect to such requirements and USAC subsequently disagrees, USAC's remedy at most should be to require a technology plan to be prepared and to require competitive bidding for subsequent funding years, and not denial of priority one funding for current or prior years. For clarification purposes, it may be helpful to post on USAC's website a non-exhaustive list of states or localities that have informed USAC that they have technology plan and/or competitive bidding requirements.

Charter also suggests that the Commission move toward a multi-year *approval* process where the participants have executed a multi-year contract. In other words, approval of funding should be co-extensive with the contract period. There is no reason to require annual funding requests and approvals where the services, prices, terms and conditions have not changed. This would be consistent with the Commission's goal announced in the National Broadband Plan of easing burdens on applicants with multiyear contracts, at least with respect to priority one

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<sup>2</sup> NPRM at ¶¶ 18-31.

services.<sup>3</sup> Charter also suggests implementing the suggestion in the Plan to have a simplified, fast-track application process for (1) funding requests for standard services under a certain dollar threshold, and/or (2) approving subsequent years after approval of the first year in a multi-year contract if the Commission declines to approve for the entire contract term at the outset. For routinely procured services, a fast-track process would free up administrative resources of USAC and participants to focus on more complex or larger service arrangements. A fast-track process would also be useful to reduce the administrative burdens associated with multi-year contracts, if, of course, the Commission declines to simply approve at the outset for all years covered by the contract term as suggested above.

Additionally, Charter fully supports the Commission's proposal to eliminate of the 2-in-5 rule.<sup>4</sup> As the Commission observed, this rule has not only failed to serve its intended purpose, but it is so administratively complex that some smaller schools and libraries often forgo seeking internal connections funding.<sup>5</sup> From an administrative perspective, schools and libraries would no longer be forced to work with the awkward planning schedule of every two out of five funding years that is out of synch with their needs-driven planning. Charter also supports the Commission's proposed option of allocating internal connections funding based on a per student cap per school district.<sup>6</sup> Adoption of two proposals would greatly further the Commission's goal of providing predictable funding internal connections because under the current regime, it is quite difficult for participants to predict whether they will receive any of the requested internal connections funding. As the Commission stated, internal connections support the overall goal of

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<sup>3</sup> Connecting America: The National Broadband Plan (FCC rel. Mar. 16, 2010) ("NBP") at Recommendation 11.19.

<sup>4</sup> NPRM at ¶ 77.

<sup>5</sup> NPRM at ¶ 78.

<sup>6</sup> *Id.* at ¶ 69.

expanding broadband services by ensuring that schools and libraries have the equipment needed to access these services.

Finally, Charter supports the Commission's proposal to move to a district-wide discount level.<sup>7</sup> As noted in the NPRM, requiring the schools and libraries to calculate a weighted average from individual school discount percentages adds unnecessary administrative burdens on participants, as well as on USAC.

## **II. CHARTER SUPPORTS INDEXING THE E-RATE FUNDING CAP TO INFLATION**

Charter supports indexing the \$2.25 billion cap to inflation to promote the continued viability of the E-rate program. As the Commission noted in the National Broadband Plan, the E-rate program has been a success and has resulted in near universal Internet access in schools and libraries in the United States. The cap, however, was set in 1997, and was never adjusted for inflation. Moreover, as the Commission recognized in the Plan, anchor institutions such as schools and libraries are key players in fostering adoption and expansion of broadband services, and the continued support of these institutions will help to ensure these goals.<sup>8</sup> Adjusting the cap to inflation would help to ensure that E-rate support will continue to have a meaningful impact in the future.

## **III. CHARTER OPPOSES FUNDING FACILITIES OR SERVICES THAT IS NOT COMPETITIVELY NEUTRAL OR NOT TIED TO EDUCATIONAL PURPOSES**

Charter opposes the proposal to use E-rate funds to subsidize the lease of dark fiber by schools and libraries, and supports the comments being filed by NCTA on this proposal. Charter agrees with NCTA that for most schools and libraries, a dedicated dark fiber strand would provide more capacity than what is necessary for educational purposes. This would only

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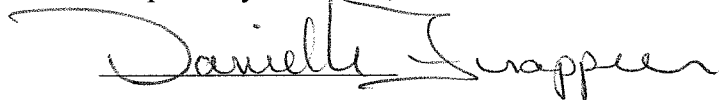
<sup>7</sup> NPRM at ¶¶ 34-36.

<sup>8</sup> NBP at 10.

encourage waste of E-rate funds, run counter to the educational mandate of the program and detract from the Commission's efforts to use funding to increase funding for broadband services and internal connections.

Charter also agrees with NCTA that any support for services or equipment to be used off school campus should be provided on a competitively and technologically neutral basis, and as such, the FCC should not exclude wireline or other technologies from providing students with any off campus necessary to further E-rate goals. In fact, wireline technologies could, in some instances, be more cost effective than a wireless solution for off campus use. The Commission should not foreclose such options by favoring one technology over another.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Danielle Frappier", with a long horizontal flourish extending to the left.

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